Exhibit 9-1

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	
PRODUCT/SERVICE COST COMPUTATION	FORM/PRODUCT NUMBER:
PREPARER'S NAME:	TITLE:	PHONE NUMBER:
OFFICE PROVIDING PRODUCT/SERVICE:	FMC, ORGANIZATION, AND TASK CODES WHERE RELATED COSTS WILL BE INCURRED:
AUTHORIZING LEGISLATION:	FMC _____ ORG _____ Task _____
NAME OF PRODUCT/SERVICE:	DESCRIPTION OF PRODUCT/SERVICE (Unit of issue, size, type, etc.):

SECTION A - DIRECT LABOR COSTS

A.1 Base Pay (Total from Column F, Worksheet 2) — $

A.2 Proposed Pay Increase (_____ % of A.1) x   % [enter 75 or 100]

A.3 Subtotal (lines A.1 + A.2)

A.4 Leave surcharge (_____% of line A.3)

A.5 Subtotal (lines A.3 + A.4)

A.6 Other Personnel Compensation
   a. Overtime
   b. Night Differential
   c. Other (Specify)

   _____

   _____

A.7 Subtotal (lines A.5 + A.6)

A.8 Personnel Benefits (Specify)
   a. Cost of Living Allowance
   b. _____
   c. _____

A.9 TOTAL DIRECT LABOR COSTS (lines A.7 + A.8) — $

SECTION B - OTHER DIRECT COSTS

B.1 TOTAL OTHER DIRECT COSTS (Total Dollar Amount From Worksheet 3) — $

SECTION C - DISTRIBUTED (Indirect) COSTS

C.1 Employer's Contribution Surcharge (_____% of line A.5) — $

C.2 FRPCO, if applicable (_____% of Commissioned Officers Pay)

C.3 NOAA Support (_____% of line A.7)

C.4 Rent (_____% of line A.7) [formerly called SLUC]

C.5 TOTAL DISTRIBUTED COSTS (lines C.1 + C.2 + C.3 + C.4) — $

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This form and its supporting worksheets may be reproduced locally.

Exhibit 9-1 (continued)

SECTION D - COST SUMMARY AND PRODUCT/SERVICE PRICE	
D.1 Cost Subtotal (lines A.9 + B.1 + C.5)	$
D.2 Other Cost Adjustments (Specify) [attach a detailed explanation] a. _____ b. _____	 ____ ____
D.3 Total Product/Service Costs (lines D.1 + D.2)	$
D.4 Estimated Quantity	
D.5 Estimated Product/Service Unit Cost (line D.3 divided by line D.4)	$
D.6 Fair Market Value of Product/Service (if applicable) [attach a detailed explanation]	
D.7 **FINAL PRODUCT/SERVICE PRICE**	$

NOTE: This form must be accompanied by a Process Description (Worksheet 1), Direct Labor Costs (Worksheet 2), and Other Direct Costs (Worksheet 3) to be complete. If either line D.2 or D.6 is completed, a detailed explanation must be attached to this form.

SUPERVISORY APPROVAL:

SIGNATURE	TITLE	DATE

LINE/STAFF CHIEF FINANCIAL/BUDGET OFFICER REVIEW:

REVIEW SUMMARY

REVIEW SCOPE

RESULTS/ISSUES

ISSUE RESOLUTION

SIGNATURE	Chief Financial/Budget Officer	DATE

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Exhibit 9-1 (continued)

PROCESS DESCRIPTION (WORKSHEET 1)	NAME OF PRODUCT/SERVICE:	FORM/PRODUCT NUMBER:
PROCESS NUMBER	DESCRIBE IN DETAIL THE PROCESSING STEPS TO PRODUCE/PROVIDE THE PRODUCT OR SERVICE.	

*If there are more process steps, use additional worksheets.

DATE 03-15-2006

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Exhibit 9-1 (continued)

PROCESS DESCRIPTION (WORKSHEET 1)	NAME OF PRODUCT/SERVICE:	FORM/PRODUCT NUMBER:
PROCESS NUMBER	DESCRIBE IN DETAIL THE PROCESSING STEPS TO PRODUCE/PROVIDE THE PRODUCT OR SERVICE.	

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*If there are more process steps, use additional worksheets.

Exhibit 9-1 (continued)

	DIRECT LABOR COSTS: (WORKSHEET 2)	NAME OF PRODUCT/SERVICE:				FORM/PRODUCT NUMBER:			DATE 03-15-2006

Computation reflects the production costs for: _____ unit(s).

Locale (enter if each employee in [B] is in the same locale; use appropriate salary schedule): _____

[A] PRO- CESS NO.	[B] GRADE & STEP/ LOCALE	[C] ANNUAL SALARY	[D] SALARY RATE (1)	[E] TIME SPENT	[F] DOLLAR AMOUNT (D X E)	[G] EST. ANNUAL VOLUME	[H] WORK YRS (2)	[I] SUPERVISOR'S SIGNATURE (3)	[J] DATE
TOTALS					$				

(1) For an hourly rate, divide annual salary in column C by 2,087 hours. For a minute rate, divide hourly rate by 60 minutes. Remember, colums D and E should be consistent (i.e., hours or minutes) within a process number.

(2) To calculate the work years, see Instructions for Completing the NOAA Product/Service Cost Computation Form.

(3) The supervisor's signature serves as a certification that each process/step has been observed and that the time spent, grade and step, annual salary, and estimated annual volume are correct.

(4) If there are more than twelve (12) process steps, use additional worksheets.

* Transfer this amount to line A.1 of the Product/Service Cost Computation form.

Exhibit 9-1 (continued)

DIRECT LABOR COSTS: (WORKSHEET 2)	NAME OF PRODUCT/SERVICE:					FORM/PRODUCT NUMBER:			

Computation reflects the production costs for: _____ unit(s).

Locale (enter if each employee in [B] is in the same locale; use appropriate salary schedule): _____

[A] PRO- CESS NO.	[B] GRADE & STEP/ LOCALE	[C] ANNUAL SALARY	[D] SALARY RATE (1)	[E] TIME SPENT	[F] DOLLAR AMOUNT (D X E)	[G] EST. ANNUAL VOLUME	[H] WORK YRS (2)	[I] SUPERVISOR'S SIGNATURE (3)	[J] DATE
TOTALS					$				

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(1) For an hourly rate, divide annual salary in column C by 2,087 hours. For a minute rate, divide hourly rate by 60 minutes. Remember, colums D and E should be consistent (i.e., hours or minutes) within a process number.

(2) To calculate the work years, see Instructions for Completing the NOAA Product/Service Cost Computation Form.

(3) The supervisor's signature serves as a certification that each process/step has been observed and that the time spent, grade and step, annual salary, and estimated annual volume are correct.

(4) If there are more process steps, use additional worksheets.

* Transfer this amount to line A.1 of the Product/Service Cost Computation form.

OTHER DIRECT COSTS (WORKSHEET 3)	NAME OF PRODUCT/SERVICE:		FORM/PRODUCT NUMBER:
OBJECT CLASS	**COST CATEGORY**	**DOLLAR AMOUNT**	**EXPLANATION** (*Explain costs and show computations*)
21XX	Travel and Transportation of Persons		
22XX	Transportation of Things (Include postage for parcel post)		
23XX	Rent, Communications, and Utilities (Do not include GSA rental charges)		
24XX	Printing and Reproduction		
25XX	Other Contractual Services		
26XX	Supplies and Materials		
31XX	Acquisition of Property Plant and Equipment(Non-capitalized)		
32XX	Land and Structures (Include leasehold improvements)		
	Computer Resources		
	Depreciation		
	Other (Specify) (Include GSA rent for contractor occupied space)		
TOTAL			

Transfer this amount to line B.1 of the Product/Service Cost computation form.

<u>**INSTRUCTIONS FOR COMPLETING THE**</u>

<u>**NOAA PRODUCT/SERVICE COST COMPUTATION FORM**</u>

The NOAA Product/Service Cost Computation form consists of a two page form and three (3) worksheets. The worksheets should be completed prior to the Product/Service Cost Computation form. (See Notes on page 14 for use of interactive forms.

Contact your servicing Chief Financial/Budget Officer if you have questions about completing the Product/Service Cost Computations.

<u>**WORKSHEET 1 - PROCESS DESCRIPTION**</u>

This worksheet is used to support Worksheet 2, "Direct Labor Costs."

1. <u>Name of Product/Service</u> - Enter the name of the product or service.

2. <u>Form/Product Number</u> - Identify the product/service with a unique number in the following format: Fiscal Year-Line/Staff Office-Sequential Number (e.g., 01-NESDIS-01).

3. <u>Process Number</u> - Identify the steps of the process necessary to produce the product or service. Provide a brief description of the activity necessary to complete each step of the process.

<u>**WORKSHEET 2 - DIRECT LABOR COSTS**</u>

This worksheet is used to support the Base Pay amount on line A.1 of the Product/Service Cost Computation Form.

1. <u>Name of Product/Service</u> - Enter the name of the product or service.

2. <u>Form/Product Number</u> - Enter the form/product number from Worksheet 1.

3. <u>Computation reflects the production costs for ----- unit(s)</u> - Enter the number of units to be produced for the costs computed on the Product/Service Cost Computation form.

4. <u>Column A - Process Number</u> - Follow the process steps identified on Worksheet 1.

5. <u>Column B - Grade, Step & Locale</u> - Determine the GS, GM, WG grade or SES level of the individual(s) involved for each process step. Use Step 5 for computing GS and GM salary rates; Step 4 for WG salary rates. Use the actual level for SES salary rates.

6. <u>Column C - Annual Salary</u> - Enter the annual salary of the grade and step indicated in column B. Specify locale.

7. <u>Column D - Salary Rate</u> - Compute the per hour or per minute salary rate as follows:

> Per hour: Divide the annual salary (column C) by 2,087 hours.

> Per minute: Divide the annual salary (column C) by 2,087 hours and divide the result (per hour rate) by 60 minutes.

The resulting salary rate should be rounded to the nearest cent with one-half cent and over counted as a whole cent.

Columns D and E must be consistent, i.e., hours or minutes.

8. <u>Column E - Time Spent</u> - Enter the amount of time (number of hours or minutes) involved in each step of the process. Columns D and E must be consistent, i.e., hours or minutes.

9. <u>Column F - Dollar Amount</u> - Compute the dollar amount for each process step by multiplying column D by column E. Round the result to the nearest cent with one-half cent and over counted as a whole cent.

Total column F for all processes and transfer the TOTAL to line A.1 of the Product/Service Cost Computation form.

10. <u>Column G - Est. Annual Volume</u> - Enter the estimated annual product or service volume as accurately as possible.

11. <u>Column H - Work Years</u> - Use the appropriate formula to compute the number of work years required for each step.

(1) If column E is the time spent to produce 1 unit of the product or service:

--   and if column E is in minutes, then column H = (E X G)/2087/60; or

--   if column E is in hours, then column H = (E X G)/2087.

(2) If column E is the time spent to produce the annual volume of the product or service:

--   and if column E is in minutes, then column H = E/2087/60; or

--   if column E is in hours, then column H = E/2087.

12. <u>Column I - Supervisor's Signature</u> - The supervisor must certify that the step has been observed and that the time spent, pay rates and estimated annual volume are correct.

13. <u>Column J - Date</u> - Enter the date of supervisor's signature.

<u>WORKSHEET 3 - OTHER DIRECT COSTS</u>

This worksheet is used to detail costs and provide narrative statements documenting the nature of other direct costs incurred in providing the product/service.

 1. <u>Name of Product/Service</u> - Enter the name of the product or service.

 2. <u>Form/Product Number</u> - Enter Form/Product Number from Worksheet 1.

 3. <u>Object Class, Cost Category</u> - An object class code classifies a cost according to the nature of the product or service provided. Worksheet 3 lists the object classes and categories of direct costs that may be incurred in the production of a special product or service. For a complete description of object classes, see the NOAA Finance Handbook, Chapter 12 or
     http://www.corporateservices.noaa.gov/~finance/objectclasses.html

4. <u>Dollar Amount</u> - Determine the dollar amount for each direct cost. Transfer the TOTAL of all direct costs to line B.1 in Section B of the Product/Service Cost Computation form.

5. <u>Explanation</u> - Provide a brief explanation of each direct cost. Show computations to support each cost. Attach additional worksheets if necessary.

6. <u>Object Class 21XX, Travel and Transportation of Persons</u> - Include transportation of Government employees or others, their per diem allowances while in authorized travel status, and other expenses incidental to travel which are to be paid by the Government either directly or by reimbursing the traveler.

7. <u>Object Class 22XX, Transportation of Things</u> - Include contractual charges incurred for the transportation of things (including animals) and for the care of such things while in the process of being transported. Include postage used in parcel post, private delivery services and rental of trucks and other transportation equipment.

8. <u>Object Class 23XX, Rent, Communications and Utilities</u> - Include rent for real property if space is owned by another. Do not include charges and related services assessed by GSA which are accounted for in Section C of the Product/Service Cost Computation form. Include charges for communications and utility services. Also include lease and rental of office copying equipment, automatic data processing equipment and other equipment not otherwise classified.

9. <u>Object Class 24XX, Printing and Reproduction</u> - Include contractual printing and reproduction, and the related composition and binding operations performed by the Government Printing Office, other NOAA organizations or other bureaus within the Department of Commerce (performed on a reimbursable basis), and commercial printers. Include all common processes of duplicating obtained on a contractual or reimbursable basis. Also include standard forms when specifically printed or assembled to order and printed envelopes and letterheads.

10. <u>Object Class 25XX, Other Contractual Services</u> - Include charges for contractual services not otherwise classified. Supplies and materials furnished by the contractor in connection with such services are included even though they may be separately itemized on an invoice.

11. <u>Object Class 26XX, Supplies and Materials</u> - Include all commodities which are (a) ordinarily consumed or expended within one year after they are put to use, or (b) converted in the process of construction or manufacture, or (c) usedto form a minor part of equipment or fixed property. (Other property of little monetary value which does not meet any of these three criteria may also be classified as "Supplies and Materials.")

12. <u>Object Class 31XX, Acquisition of Property, Plant and Equipment</u> Include all property, plant and equipment purchased under the capitalization threshold.

13. <u>Object Class 32XX, Land and Structures</u> - Include charges for land and interest in land, buildings and other structures, additions to buildings, non-structural improvements and fixed equipment. Include leasehold improvement costs in excess of $5,000 which have an estimated useful life longer than two years and are made to leased properties or to occupied properties owned by another Government agency. Examples would include such improvements as carpeting, space partitions, soundproofing of ceilings or walls and alterations. Leasehold improvement costs under $200,000should be recorded under object class 25XX, Other Services.

14. <u>Computer Resources</u> - Include the cost of computer time directly attributable to the product or service. For example, the cost of a computerized data search, or the cost of software development and/or modifications to permit special retrieval or analysis for the product or service.

15. <u>Depreciation</u> - Depreciation is an estimate of the decrease in value over time of assets, such as government owned buildings and equipment. Depreciation is calculated by allocating the cost of the asset over the length of its estimated useful life. Depreciation is calculated for assets that cost $200,000 or more and have an estimated useful life of at least 2 years.

    Include depreciation for the proportion of the cost of assets that are used to produce special products and services. For example:

    A computer was purchased for $210,000 and has an estimated useful life of 10 years. One third of the computer's annual use is dedicated to the production of100 units of a special product. The cost of yearly depreciation is calculated as follows:

    (1) $\dfrac{\$210,000}{10 \text{ years}}$ = \$21,000 yearly depreciation expense for the computer

    (2)   \$21,000 x 1/3 = \$ 7,000 yearly depreciation expense to use the computer on the special product

    (3) $\dfrac{\$7,000}{100 \text{ units}}$ = \$70.00 yearly depreciation expense per unit

16. <u>Other (Specify)</u> - Include other costs obviously traceable to a specific service or product. Document these costs and attach to Worksheet 3.

17. Total - Total the dollar amounts for all direct costs on Worksheet 3. Transfer this total to line B.1 of the Product/Service Cost Computation form.

PRODUCT/SERVICE COST COMPUTATION FORM

1. <u>Form/Product Number</u> - Enter the form/product number. The same number must be used on the supporting Worksheets 1, 2 and 3.

2. <u>Preparer's Name, Title and Phone Number</u> - Enter the name, title and phone number of the person who prepares the Product/Service Cost Computation form and can answer questions about it.

3. <u>Office Providing Product/Service</u> - Enter the name of the office providing the special product or service.

4. <u>FMC, Organization, and Task Codes Where Related Costs Will Be Incurred</u> - Enter the Financial Management Center (FMC), organization and task codes of the organization incurring the costs for the special product or service.

    FMCs are listed in NOAA Administrative Order 203-105. Organization codes are listed in the NOAA Organization Handbook. Task codes are assigned and maintained by the Execution and Operations Division (OFA33). See the NOAA Finance Handbook, Chapter 12 for an explanation of organization and task codes.

5. <u>Authorizing Legislation</u> - Enter the legislation which authorizes the production of the special product/service. Also include notation on who keeps receipts, NOAA or Tresury.

6. Name of Product/Service, Description of Product/Service -
    Enter the name of the product/service and a description
    which includes the unit of issue, size, type, etc.

SECTION A - DIRECT LABOR COSTS

A.1 Base Pay - Enter TOTAL from Worksheet 2, column F.

A.2 Proposed Pay Increase - The official pay increase percentage
     is available annually from the Execution and Operations
     Division (OFA33). Use the percentage available when the
     form is prepared. Multiply line A.1 by the proposed pay
     increase. (The result must be multiplied by 75% if the pay
     increase is effective January 1; 100% for October 1.)
     Enter the final result.

A.3 Subtotal - Enter the total of lines A.1 and A.2.

A.4 Leave Surcharge - Use distribution rates published annually
     by the Execution and Operations Division (OFA33). Multiply
     line A.3 by the Leave Surcharge rate.   Enter the result.

A.5 Subtotal - Enter the total of lines A.3 and A.4.

A.6 Other Personnel Compensation - Enter all other personnel
     compensation paid directly to NOAA employees, including
     overtime and differentials. See NOAA Finance Handbook,
     Chapter 12, Object Classification Codes or
     http://www.corporateservices.noaa.gov/~finance/objectclasses.html
     115X for other personnel compensation categories.

A.7 Subtotal - Enter the total of lines A.5 and A.6.

A.8 Personnel Benefits - Enter other personnel costs including
     cost-of-living allowance, commuted subsistence, etc. See
     the NOAA Finance Handbook, Chapter 12, Object Classification
     Codes or
     http://www.corporateservices.noaa.gov/~finance/objectclasses.html
     121X for other personnel benefits categories. Document
     these costs and attach to the Product/Service Cost
     Computation form.

A.9 Total Direct Labor Costs - Enter the total of lines A.7 and
     A.8.

SECTION B - OTHER DIRECT COSTS

B.1 Total Other Direct Costs - Enter TOTAL from Worksheet 3,
     "Other Direct Costs," page 2.

SECTION C - DISTRIBUTED (INDIRECT) COSTS

C.1   <u>Employer's Contribution Surcharge</u> - Use distribution rates published annually by the Execution and Operations Division (OFA33). Multiply line A.5 by the Employer's Contribution rate and enter the result.

C.2   <u>FRPCO</u> - (Future Retired Pay of Commissioned Officers). Use the distribution rates published annually by the Execution and Operations Division (OFA33). The FRPCO Rate is to be applied only against the base pay of NOAA Commissioned Officers attributable to the product or service. Multiply the NOAA Commissioned Officers' salaries, if any, in line A.5 by the FRPCO rate and enter the result.

C.3   <u>NOAA Support</u> - Use the distribution rates published annually by the Execution and Operations Division (OFA33). Multiply the amount in line A.7 by the Total NOAA Support rate and enter the result.

C.4   <u>Rent</u> - Use the distribution rates published annually by the Execution and Operations Division (OFA33). Multiply the amount in line A.7 by the Rent rate (formerly called "SLUC") and enter the result.

C.5   <u>Total Distributed Costs</u> - Enter the total of lines C.1, C.2, C.3 and C.4.

SECTION D - COST SUMMARY AND PRODUCT/SERVICE PRICE

D.1   <u>Cost Subtotal</u> - Enter the total of lines A.9, B.1 and C.5.

D.2   <u>Other Cost Adjustments</u> - Enter other adjustments to the product/service cost. Attach a detailed explanation.

D.3   <u>Total Product/Service Costs</u> - Enter the total of lines D.1 and D.2.

D.4   <u>Estimated Quantity</u> - This quantity should be the same as Worksheet 2, "Computation reflects the production costs for _____ unit(s)."

D.5   <u>Estimated Product/Service Unit Cost</u> - Divide line D.3 by line D.4. Enter the result.

D.6   <u>Fair Market Value of Product/Service</u> - If the product/service is authorized by statute to be provided at a fair market value, enter the fair market value of the product/service. Also attach a detailed explanation of the methods used to determine the fair market value. Product/Service Cost Computation forms received by the servicing Management and Budget Office for products/services at fair market value without an adequate explanation will not be approved.

D.7   <u>Final Product/Service Price</u> - Round the total product/service costs on line D.5 as follows:

    (1)   If the unit price is $1.00 or more, round to the nearest dollar (.00 - .49 round down; .50 - .99 round up);

    (2)   If the unit price is less than $1.00:

        a. $0.50 - 0.99, round to $1.00;

        b. $0.01 - 0.49, round to nearest ten cents (e.g., 0.38 = 0.40).

"SUPERVISOR APPROVAL": - Preparer's supervisor will complete this section.

"CHIEF FINANCIAL/BUDGET OFFICER REVIEW": - The appropriate Line/ Staff Chief Finacial/Budget Office will complete and sign this section. Please attach additional sheets where "Blocks" are too small to accommodate your narrative.

NOTE 1: When using the interactive forms, insert the percentages on lines A2, A4, C1, C2, C3 and C4, and the Estimated Quantity on line D4 on the calculation sheets (pages 1 and 2) prior to starting data entry on the worksheets. Late entry of these percentages will cause incorrect calculations.

NOTE 2: To "RESET" the interactive forms, click the RESET Button at the bottom of each page starting with worksheet 3 and working backwards to the second page of the computation form. All inter- active forms must be completely reset when making corrections and/or new computations.